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Western Archives, Western University

In the Field
2/10/16.

Opinion asked
Nov 3-16

Dear Father

Your letters dated August twenty eighth, September fifth and eleventh are before me. I am glad to learn that there is not much chance of Aubrey getting away with any battery in the near future. I can well understand how he feels about it but at the same time the work he is doing counts for a great deal more than anything he could do out here as a subaltern in the artillery.

I regret that there is no chance of undertaking building repairs on the track side of mounting and chat iron shops. The appearance of our messes from the South is anything but creditable. However the shell contracts must come first and if building construction would entail our outlay we must not think of it for the present.

I do not remember where he left the double lip

key of my desk in the study but
thinks he might have
closed the desk with key
inside. I am almost certain your
note is in one of the small upper
drawers in this desk and think
you had better get a locksmith
to open it. This will have to be
done sooner or later anyway.

I sent you a remittance of
one hundred and fifty pounds
early last month. This should
have reached you by now. I
may be able to add another
hundred pounds to my account
shortly after the New Year but
that is looking rather far ahead
so don't count on it in any
financial arrangements you
may be making for me.

When the Kemble golf
course is finished it ought to
be an exceptionally good one.
It is too bad that the club
is not paying its way and
the discontinuance of the sale
of liquor won't help matters.
A good many clubs will have
to close down on account

of prohibition but I trust this
fate won't befall the London
Hunt Club.

I am glad Morgan feels
the benefit of his short holiday
but it really was too brief.

Give him my regards. It is
too bad that the shell output
is not up to the requirements
in quantity ^{and} that you have
so many worries about finish
and labor. With the approach
of winter the trouble in the
latter respect ought to be
greatly decreased. At any rate
I sincerely hope so.

I have already commented
on the arrival of "Goose Egg
Day" and tendered my
congratulations so will not
touch upon it again except to
say once more how very
satisfactory it is for Fth and
I to know that you have
reached this great day in the
history of the business.

The question of banking
accomodation need not be raised
at the moment and it can be

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considered when we are looking into the question of taking up the option on the CWF preference stock. Ibh was here the day before yesterday and we discussed your suggestion in this connection at some length. We both agree that the advantages of purchasing outweigh the disadvantages but at the same time it would mean a serious curtailment of capital just at a time (when peace comes) when we will need capital both to tide us over bad times and to prosecute the business in some new line. The engine business is done except in a very minor degree. This I know you agree on and also that we must have some line of manufacture to replace it.

The success or otherwise of our purchasing the preference stock depends directly and almost entirely on what we can hope to make during the present business year. Therefore before giving a definite opinion it is necessary for Ibh and I to see the

statement for the year ending
June 30th 1916 and also to have
some reliable data as to the cost

X of shell making and the
probability of an increase or decrease
in cost for the next twelve
months. In any event I would
not advise taking up the
option until the last moment
and on this point Ibb agrees.

X Please let me know the exact
date of expiration of option. In
the meantime it will be
advisable to prosecute enquiries
as to how we could raise
a loan enabling us to make
the purchase, what it would
cost and so forth. During
the year we must have
accumulated something towards
the \$1,000,000 reserve which is
stipulated in our agreement but
I suppose we are still a long way
from the amount required. At
the end of this letter I am
appending a few notes I made
on the advantages and otherwise
of taking up the option. Ibb has
seen these notes and suggested

that I send them on to you as they stand. I hardly think however that they will cover any points which have not already received your careful consideration.

It is calling you in connection with the option this week and I hope it will not be long now before you can let us have the annual statement also some costs. Bob and I can then get together and discuss the matter from all angles and write you fully what we think. I know we can count on another year of war and therefore if we may expect shell contracts until this time next year, after that we will have to look to other business and I fear will need to be prepared to face some years of hard times. Feeling this way I am sure you will readily understand why Bob and I want full data before agreeing to the assumption of further liabilities which, while lighter than the present ones, may curtail our prospects for the future by

decreasing the capital.

I am making a note of the address of the Russo British Trade Exchange Ltd and will try and call on them when next on leave. At the present moment no leave is in sight but I am confident we shall get some when the bad weather sets in for the winter.

I am enclosing a further list of London men whose names should be added to those already sent you. These include men in D.A.C., two in my headquarters here and one in the 2nd Battery. I do not suppose they will all leave the Somme area as casualties are fairly heavy here. In the last two days I have had two guns destroyed, one officer killed, two wounded and a dozen men killed or wounded to say nothing of destruction of houses and equipment. Young Betts was wounded the other day but I am thankful to say that his injuries are not serious though he had a close call.

I note what you say about including not to make the proposed extension to office. The change is probably not necessary but it would help matters quite a bit to have at one more room and more privacy in the office. In addition it would improve the appearance of our plant and this often counts against us at present, rather more I think than one might imagine. However perhaps we can look forward to this improvement also the cleaning up of the buildings on track side being undertaken next year.

I am glad you received the tobacco box and ash trays from B. Ingoyne and that you thanked him for sending them on. They are made from 15 in. cartridge case and fuse caps respectively. I am sending another tobacco box now made from a 4.5" cartridge case. It ought to be on its way from England also a packet of papers etc. mailed by a chap who went on leave ten days ago.

What you say about the Ford Company undertaking construction of a cheap tractor is not surprising as I have heard rumors of it.

This prospect tends to decrease the advisability of our undertaking construction of a similar line. However we shall have to look further into the project and the same time prosecute the search for something else which might suit our plant and at the same time admit of our making a reasonable profit.

It is cold today and has been raining hard since this morning. The roads are deep in mud as a consequence and things are one more anything but pleasant. I think the damage offensive is coming to an end within a few weeks, simply on account of the weather. I cannot see that it will be possible to carry on in the mud. The success or otherwise of the offensive depends directly on the guns and these cannot be moved about (away from metalled roads) under weather

conditions that prevail in this
part of Europe from the end of
October to the beginning of
April. This is only my own
opinion and I would like to
see it proved incorrect. However
a few weeks from now will
show whether I am right or not.

I wrote dear Mother at
some length yesterday so will
not touch on anything else
at present. With much love

Your obedient son

Woodman

Option

Advantages of taking it up

1. a saving of say $\$750^{00}$ per annum in interest.
 2. Removal of any personal liability imposed on the 3 of us by agreement - Responsibility for paying dividend on preferred stock etc.
 3. Removal of clause necessitating the accumulation of a reserve of $\$100000$ before dividends can be paid on common stock
- * If successful in paying off the loan, absolute freedom for ourselves in the future prosecution of the business and a saving of $\$5600$ a year interest

Option

Disadvantages of taking it up

1. Reduction of working capital by amount of preference stock i.e. 50000
2. Diversion of probable profits (which might be used to exploit a new line) to paying off of preference shareholders.
3. Replacing one personal liability with another (of less magnitude it is true)
4. Tying up rather indefinitely any little ready money ESR and self might be able to draw out in immediate future

Notes

On the assumption that the war will last until next June which is reasonable and that we would be making shells until then

~~Capital cost 125000 per month = 1050000~~

at cost

Output say 12000 per month = 105000
(9 months)

a	at profit of	\$1.00 per shell	=	\$	1,050,000				
b	"	"	"	75¢	"	"	=	\$	787,500
c	"	"	"	50¢	"	"	=	\$	525,000
d	"	"	"	25¢	"	"	=	\$	262,500

In (a) liability would be paid by time option expires

- (b) liability would be paid by end of June ¹⁹¹⁷
- (c) " " " " " " " Dec. "
- (d) " " " " " " Feb. 1919